

**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF ATASCADERO AND
THE COUNTY OF SAN LUIS OBISPO
REGARDING THE CITY'S SPHERE OF INFLUENCE**

This Agreement is entered into on this 24th day of June, 2003,
by and between the City of Atascadero (hereafter "City") and the County San Luis Obispo
County (hereafter "County")

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act ("the Act") requires the Local Agency
Formation Commission (LAFCO) to update the Spheres of Influence for all applicable
jurisdictions in the County every five years, and

WHEREAS, a Sphere of Influence is defined by Government Code 56076 as a plan for
the probable physical boundaries and service area of a local agency, and pursuant to Government
Code 56425 has been identified by the County of San Luis Obispo and the City of Atascadero as
contained in Exhibit A, and

WHEREAS, the Act further requires that a Municipal Service Review be conducted
prior to or, in conjunction with, the update of a Sphere of Influence and such a Municipal Service
Review has been prepared by LAFCO staff in accordance with Section 56430 of the California
Government Code as a means of identifying and evaluating public services provided by the City
of Atascadero and changes to the City's Spheres of Influence and Service, and

WHEREAS, the Act encourages the City and County to reach agreement regarding the
boundaries (Exhibit A), development standards, and zoning requirements (Exhibit B) to ensure
that development within the sphere occurs in an orderly and logical manner; and

WHEREAS, the City's General Plan provides a clear policy base for growth and
development in the Sphere of Influence areas and defines programs that the City will implement
to ensure the preservation of the agricultural land, open space and the rural character of
Atascadero, and

WHEREAS, the County's General Plan goals in Framework for Planning and the Salinas River Area Plan calls for Community Separators to provide for a community's distinctive identity and preserve the rural character of the areas between and on the fringes of communities and cities, and

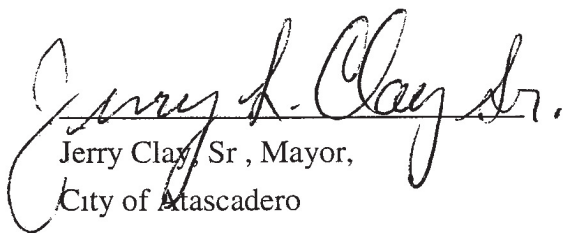
WHEREAS, the City and County have reached an agreement regarding the Sphere of Influence boundaries (Exhibit A) and the development standards and zoning requirements (Exhibit B), and

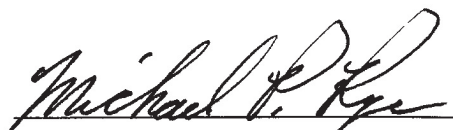
WHEREAS, the Eagle Ranch Area includes approximately 400 colony lots, many of which have been certified as legal by the County, and the Atascadero Mutual Water Company is able to provide water service to these lots, therefore much of the Eagle Ranch Area can be developed in the County using the existing lot configuration, and

WHEREAS, LAFCO is required by Government Code 56425 (b) to give great weight to this agreement in making its final determination of the city's Sphere of Influence

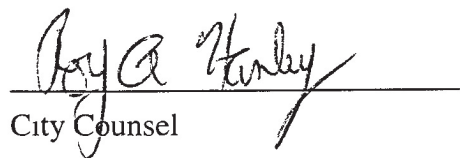
NOW, THEREFORE, the parties agree as follows

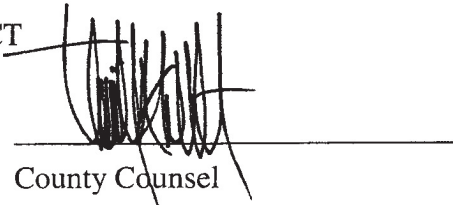
- 1 The Sphere of Influence boundary contained in Exhibit A provides for the orderly and logical growth for the City of Atascadero and represents an appropriate 20-year growth boundary based on existing information.
- 2 The development standards and zoning requirements contained in Exhibit B provide a framework for completing updates to the General Plans of both the City and the County for the areas in the Sphere of Influence
- 3 The development standards and zoning requirements contained in Exhibit B are intended to provide the City and the County with the basis for developing specific land use policies and standards for the areas in the City of Atascadero's Sphere of Influence and do not supersede or limit the planning or environmental review process of either jurisdiction.


Jerry Clay, Sr, Mayor,
City of Atascadero


Chairman, Board of Supervisors
County of San Luis Obispo

APPROVED AS TO FORM AND LEGAL EFFECT


City Counsel



County Counsel

Dated. 7-16-03

Dated. 7-31-03

ATTEST


City Clerk


County Clerk Recorder

Dated. 7-16-03

Dated. 8-12-03



EXHIBIT A
SPHERE OF INFLUENCE BOUNDARY MAP

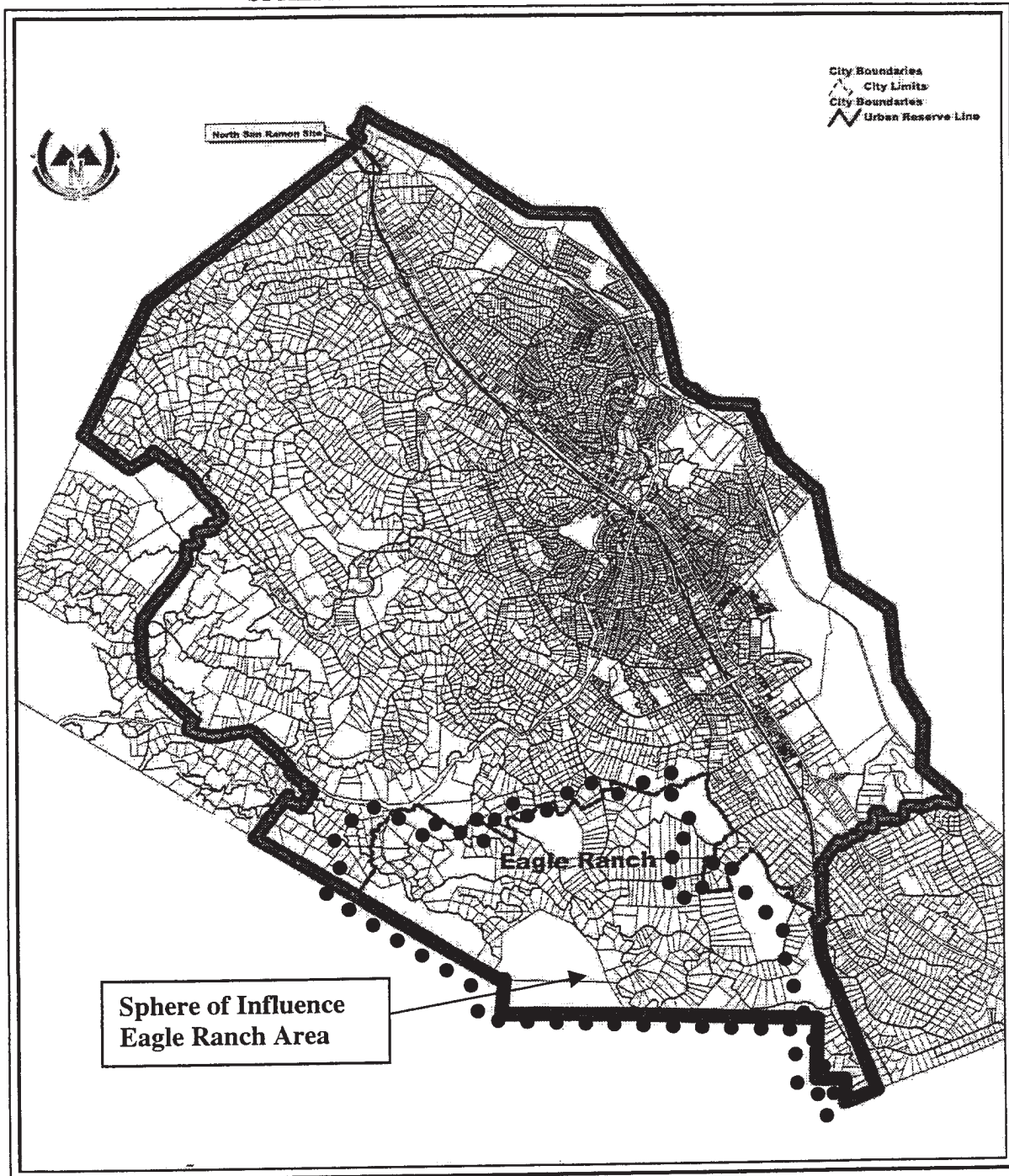


EXHIBIT B

DEVELOPMENT STANDARDS AND ZONING REQUIREMENTS

The following development standards and zoning requirements are agreed to and shall be used by the City of Atascadero and the County to guide development within the proposed Sphere of Influence as described in Exhibit A and to update their General Plans.

- 1 **Intent.** It is the intent of the County and the City to work cooperatively towards the goal of developing the agreed upon Sphere of Influence (as shown in Exhibit A) in an orderly and logical manner consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.
2. **Interagency Cooperation.** The City and the County shall work cooperatively on planning for land use, circulation connections, agricultural land and open space preservation by referring discretionary development projects and General Plan Amendments within each agency's jurisdiction to the other for review and comment prior to action on a development proposal. The County shall seek the City's comment regarding projects in the area between Vineyard Drive and Cuesta Grade, between the ridges east of the Salinas River and Cerro Alto Campground. The City shall seek the County's comment regarding projects that affect unincorporated areas surrounding the fringe area of the city. When a discretionary project application is accepted for processing, it shall be referred immediately to the following contact person(s) for early review and comment:

Principal Planner Long Range Planning
Department of Planning and Building
County Government Center
San Luis Obispo, CA 93401

Community Development Director
Community Development
6500 Palma Ave.
Atascadero, CA 93422

This provision shall not supersede or terminate other methods of commenting or providing feedback regarding a proposal or project.

- 3 **Interim Development.** The County shall limit the development in the Sphere of Influence area to that which is allowed by the current land use designations. The County and City acknowledge that the proposed SOI area includes several parcels not

under Williamson Act Contracts that could be developed with single-family homes Residences and other currently allowable uses may be permitted pursuant to the land-use policies and standards of the County Recognizing that the existing Colony lots have entitlements to water supply from Atascadero Mutual Water Company, it is the intent of the City to provide other services to these areas when they are eventually annexed to the City The County shall give great weight to this fact when reviewing projects in this SOI area.

The property within the SOI and a significant number of acres outside the SOI, are presently under contract for Williamson Act. However, the property owner of the land in the proposed SOI has filed for non-renewal and the contracts will be terminated on January 1, 2009

Any project proposed in the County and within the proposed SOI area that is subject to an Initial Study under CEQA, shall cause the City and County representatives to call for a conference to discuss the proposed project, prior to completion of the Initial Study The purpose of the conference would be to discuss the City's and County's General Plan policies with regard to the project and to identify any key issues that may need special attention.

- 4 **City/County Cooperation.** For any project proposed prior to annexation, the County and City will cooperate to evaluate the creation and implementation of various assessment and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County
- 5 **Constraints Analysis.** A constraints analysis that studies resources and issues such as, but not limited to biology, oak woodland habitat, 100 year flood plain areas, agricultural lands and soils, open space resources, cultural resources, topography and steep slopes, circulation, visual and fiscal implications shall be prepared for the SOI area. The Constraints Analysis shall be used to prepare the Specific Plan, and shall be completed prior to the preparation of the formal CEQA documentation.

- 6 **Agriculture and Open Space.** Prior to annexation by the City, the City and the County shall work together to preserve the agricultural and open space resources in the SOI area. Special attention shall be given to addressing the criteria contained in Agricultural Policy 24 (or as updated by the County) of the County's Agriculture and Open Space Element (Exhibit C). This shall be evident in the preparation of the Constraints Analysis, Specific Plan and Environmental Impact Report. The remainder of agricultural area outside the SOI shall not be included in the Constraints Analysis or the City's Specific Plan. However, should any development occur in the area outside the SOI which differs from its current configuration, this remaining area may be separately analyzed by the County to identify possible conservation and development options for the agricultural lands. Options to be considered for the area outside the SOI may include transferring density to the SOI area, agricultural preserves, agriculture clustering of development, or other preservation measures.
- 7 **Land Uses.** The proposed areas being added to the SOI as described in Exhibit A may include residential, mixed-use, public facilities, visitor-serving, agriculture uses, open space, and/or recreational uses in a manner integrated into the city's plans for annexation and development for this area. The Smart Growth Principals adopted in the City's General Plan shall be used as a basis of preparing plans for the area.
- 8 **General Plan Amendment.** The City intends to complete pre-zoning, pre-annexation, and any necessary pre-general plan amendment activities prior to or concurrent with an annexation proposal being processed by LAFCO. The County intends to complete any necessary amendments to its General Plan in the Salinas River Area Plan to reflect the annexation of territory to the City of Atascadero.
- 9 **Zoning Requirements/Specific Plan.** A Specific Plan, which identifies land uses within the Sphere of Influence areas, shall be prepared and adopted by the City prior to or concurrent with the annexation of the property into the City and in accordance with its General Plan. CEQA review of the Specific Plan shall include analysis of issues related to completing the annexation, such as a reliable and adequate water supply, sewer capacity, and other services for the proposed project. The Specific Plan for the Sphere of Influence area shall be prepared consistent with Policy 1.2 (Exhibit D) of the City's General Plan. Programs related to the Sphere of Influence area in the

City's General Plan that shall be implemented under policy 1.2 include eight, nine, ten, and eleven.

- 10 **Process and Timing of Actions.** Several actions are scheduled to be completed prior to the City annexing properties located in the Sphere of Influence as shown in Exhibit A. Please note the target dates are intended to be advisory in nature

Action	Agency	Target Date
1. <u>Sphere of Influence Update/MSR</u>	LAFCO	2003
2. Project Referrals	County and City	On-going
3 Non-renewal of Agriculture Preserve	<u>County of San Luis Obispo</u>	2009
4 Specific Plan Consideration	<u>City of Atascadero</u>	2004-2008
5 Annexation Request & Pre-zoning	<u>City of Atascadero</u>	2005-2009
6 Annexation Consideration	LAFCO	2007-2009

EXHIBIT C
County's Agricultural-Open Space Element
Policy #24

AGP24: Conversion of Agricultural Land.

- a. **Discourage the conversion of agricultural lands to non-agricultural uses through the following actions:**
1. **Work in cooperation with the incorporated cities, service districts, school districts, the County Department of Agriculture, the Agricultural Liaison Board, Farm Bureau, and affected community advisory groups to establish urban service and urban reserve lines and village reserve lines that will protect agricultural land and will stabilize agriculture at the urban fringe.**
 2. **Establish clear criteria in this plan and the Land Use Element for changing the designation of land from Agriculture to non-agricultural designations.**
 3. **Avoid land redesignation (rezoning) that would create new rural residential development outside the urban and village reserve lines.**
 4. **Avoid locating new public facilities outside urban and village reserve lines unless they serve a rural function or there is no feasible alternative location within the urban and village reserve lines.**

Discussion: The purpose of this policy is twofold. to protect agricultural land at the urban fringe by limiting the expansion of urban development; and to discourage urban/suburban sprawl by preventing "leapfrog" development into the agricultural areas of the county

Agricultural land is often converted to other uses for a variety of reasons, including: urban growth pressures, rising land values and speculation, competition between urban and agricultural uses, the desirability of large-lot rural homesites, subdivision of agricultural properties into parcels too small to sustain agricultural uses, piecemeal LUE amendments to non-agricultural land use categories, and a lack of policies that clearly define under what circumstances agricultural lands should be converted to other uses and land use designations in the general plan. This conversion of agricultural land has the potential to seriously erode the long-term protection of agricultural resources.

Even with the strong Williamson Act program in the county, there has been pressure to convert agricultural lands to other non-agricultural uses. Since adoption of the LUE in 1980, over 3,000 acres of land have been rezoned from the Agriculture category to non-agricultural land use categories in the unincorporated areas of the county

Statistics from the state Department of Conservation's farmland mapping program show that in the period between 1984 and 1995 (the last year for which statistics are available), there was an overall decrease in agricultural land of about 14,800 acres. There was a net

increase of Prime Farmland due to intensification (primarily irrigated vineyards); however, the net acreage of Farmland of Statewide Importance also declined by 783 acres.

The LUE contains a number of general goals that focus on the environment, distribution of land uses, phasing of urban development, and the provision of public services and facilities. Consistent with those goals, specific criteria should be developed for when it may be appropriate to convert agricultural lands to other uses. The criteria should include, but not necessarily be limited to, the following:

- ** Do not expand existing urban or village areas until such areas are largely built-out, or until such time as additional land is needed to accommodate necessary uses or services that cannot otherwise be accommodated within the existing urban or village area.**
- ** Urban or village expansion should occur only where contiguous to an existing urban/village reserve line, as shown in the concept diagram in Figure 2-5, or where an entirely new urban or village area is needed in order to direct development away from surrounding agricultural or open space resources.**
- ** Where urban expansion is to occur, it shall be annexed to an incorporated city or an existing community services district/county service area. The annexation shall occur only where the clustered development from rural property is to be located adjacent to the urban area, or when higher density development is to occur and where such development is consistent with resource and service capabilities and orderly extension of urban services.**
- ** Where agricultural land is proposed for conversion to urban/suburban uses, give consideration to the protection of agricultural lands in the following priority order: row crop terrain and soils, specialty crops and forage lands, dry farm lands, and rangelands for grazing.**

EXHIBIT D City of Atascadero General Plan Policies

City of Atascadero
General Plan Land Use, Open Space and Conservation Element

Policy 1.2: **Ensure the rural character of Atascadero is preserved by respecting the historic Colony boundaries and cooperate with the County on regional planning issues surrounding the Colony.**

Programs:

1. The ultimate General Plan development boundary shall be the Urban Reserve Line shown in Figure 11-5. The Urban Reserve line approximates the historic 1913 Atascadero Colony boundary and is recognized as the ultimate boundary for the City of Atascadero, expansion beyond this boundary is inconsistent with the General Plan.
2. Develop agreements with the County to maintain rural residential, agricultural and open space uses beyond the Urban Reserve Line, including continuation of existing agricultural uses.
3. Work with the County to maintain a greenbelt and rural land use patterns outside the Urban Reserve Line and to create an agricultural buffer around the original Colony boundary
4. In cooperation with the County consider establishing a greenbelt or other type of buffer between Atascadero and Templeton.
5. Oppose any land use changes east of the Salinas River that would result in more intensive or higher density development.
6. Oppose any land use changes by the County within unincorporated portions of the Colony that would result in more intensive or higher density development.
7. Execute a Memorandum of Understanding whereby the County seeks City comment on development proposals in the area between Vineyard Drive and Cuesta Grade, between the ridges east of the Salinas River and Cerro Alto Campground.
8. Cooperate with LAFCO and the County to incorporate the Eagle Ranch into the City's Sphere of Influence for eventual annexation.
9. It is the City's position, that Eagle Ranch shall be developed within the City and any development of the site prior to annexation will be opposed.
10. Prior to the annexation of Eagle Ranch a Specific Plan shall be approved by the City which will provide a comprehensive development plan for the property that address issues including, clustering of Colony lots, public facilities, circulation facilities, parks, open space, conservation easements, and a fiscal analysis of service costs.
11. Update and maintain the Zoning Ordinance to designate the Eagle Ranch property as a future Specific Plan area to be subject to future environmental and site-specific review prior to annexation.
12. Require the approval of a planned development and master plan of development prior to supporting a any LAFCO annexation request of property located north of the San Ramon Interchange on the westside of US 101